HOUSING MARKET INFORMATION

HOUSING NOW
Canada

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: November 2011

Canadian Market Overview

New Home Market

Housing starts decreased in October

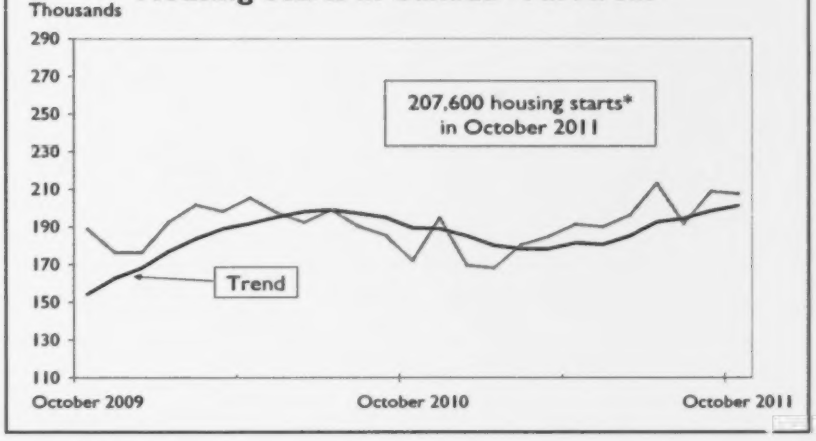
The seasonally adjusted annual rate[1] of housing starts was 207,600 units in October, down from 208,800 units in September 2011.

Housing starts posted a slight decline in October due to a decrease in single-detached starts in urban centres.

Urban multiple housing starts remained high in October, however, overall housing starts are expected to moderate in line with demographic fundamentals.

Figure 1

Housing Starts in Canada - All Areas*



Source: CMHC

*Seasonally adjusted at annual rates

[1]All starts figures in this release, other than actual starts, are seasonally adjusted annual rates (SAAR) — that is, monthly figures are adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels. By removing seasonal ups and downs, seasonal adjustment makes it possible to highlight the fundamental trends of a series. Reporting monthly figures at annual rates indicates the annual level of starts that would be obtained if the monthly pace was maintained for 12 months. This facilitates comparison of the current pace of activity to annual forecasts as well as to historical annual levels.

Table of Contents

1 Canadian Market Overview
1 New Home Market
Housing Starts
2 New Housing Price Index
2 Existing Home Market
MLS® Sales
MLS® New Listings
Sales-to-New-Listings Ratio
3 MLS® Prices
3 Economic Conditions
4 Starts Statistics
5 Other Housing Statistics

SUBSCRIBE NOW!

Access CMHC's Market Analysis Centre publications quickly and conveniently on the Order Desk at www.cmhc.ca/housingmarketinformation. View, print, download or subscribe to get market information e-mailed to you on the day it is released. CMHC's electronic suite of national standardized products is available for free.

Canada

Housing market intelligence you can count on

CMHC SCHL
HOME TO CANADIANS

Urban starts decrease in October

The seasonally adjusted annual rate of urban[2] starts decreased 2.1 per cent to 184,500 units in October compared to 188,400 units in September. Urban single starts fell 9.0 per cent to 60,900 units, while urban multiple starts edged up 1.7% per cent to 123,600 units in October.

Urban starts decreased significantly in the Atlantic region and Quebec

In October, the seasonally adjusted annual rate of urban starts decreased in the Atlantic region (-43.5 per cent) and in Quebec (-28.8 per cent). On the other hand, urban starts increased in the Prairie region (28.2 per cent), in Ontario (11.7 per cent) and in the British Columbia (1.5 per cent).

The seasonally adjusted annual rate of rural starts was 23,100 units in October compared with 20,400 units in September.

Actual starts up in October

In October, actual urban starts increased 21.0 per cent from 13,548 units in 2010 to 16,388 units in 2011. Actual urban single starts for October edged down 4.4 per cent compared with a year earlier, while actual urban multiple starts were up 39.5 per cent in October compared with 2010.

Estimated actual starts in rural and urban areas combined increased by an estimated 16.5 per cent in October compared to a year earlier.

The stock of unabsorbed new housing is stable

The stock of unabsorbed new housing units has been relatively stable over the past year. After falling 28.4 per cent between 2009 and 2010, the number of new and unoccupied singles and semis has fluctuated narrowly between 5,500 and 6,000 since January 2011 and stood at 5,900 during October, 2011. With respect to multiples, the number of new and unoccupied units has oscillated in a band between 12,600 and 14,200 and standing at 13,200 during October, 2011.

New house prices are up in September

The New Housing Price Index (NHPI) increased 2.3 per cent in September compared with September 2010. This follows the same year-over-year increase of 2.3 per cent in both August and July.

In September 2011, the NHPI increased in 17 out of 21 centres, compared with September 2010. The largest increases in the NHPI were in Winnipeg (5.5 per cent), followed by Toronto and Oshawa (5.4 per cent), Regina (5.1 per cent) and St. John's (4.1 per cent). The centres that registered the declines in the NHPI were Windsor (-3.4 per cent), Victoria (-1.6 per cent), St. Catharines-Niagara (-0.8 per cent), and Calgary (-0.5 per cent).

Existing Home Market

MLS®[3] sales up in October

The seasonally adjusted annual rate of MLS® (Multiple Listing Service®) sales was up 1.2 per cent to 465,828 units in October, compared with 460,104 units in September.

MLS® new listings edged up in October

The seasonally adjusted annual rate of MLS® new listings in October was 872,868 up 0.2 per cent from 871,356 in September.

The Sales-to-New-Listings ratio in balanced conditions

An indicator of price pressure in the existing home market is the sales-to-new-listings ratio[4]. New listings are a gauge of the supply of existing homes, while MLS® sales are a proxy for demand.

The sales-to-new-listings ratio for Canada remained in balanced market conditions in October, at 53.4 per cent, and up from 52.8 per cent in September.

[2]Urban centres are defined as centres with a population of over 10,000. CMHC surveys urban centres 10,000-49,999 at the end of every quarter. Months which are not at the end of a quarter are thus estimates.

[3]Multiple Listing Service (MLS®) is a registered trademark owned by the Canadian Real Estate Association

[4]Taking the Canadian MLS® market as a whole, a sales-to-new-listings ratio below 40 per cent has historically accompanied prices that are rising at a rate that is less than inflation, a situation known as a buyers' market. A sales-to-new-listings ratio above 55 per cent is associated with a sellers' market. In a sellers' market, home prices generally rise more rapidly than overall inflation. When the sales-to-new-listings ratio is between these thresholds, the market is said to be balanced.

MLS® price increased marginally

The October seasonally adjusted average MLS® price in Canada increased marginally to $363,504 compared with $361,678 in September. The unadjusted MLS® average price was up 5.5 per cent in October to $362,899 from $343,943 a year ago.

Economic conditions

According to Statistics Canada, employment declined by 54,000 in October, all in full-time employment. October's loss pushed the unemployment rate up 0.2 percentage points to 7.3%. Over the last year, total employment has risen by 237,000 (+1.4%).

The number of full-time workers declined by 72,000 in October. Despite this loss, full-time employment has grown 1.6% (+226,000) compared with the same month a year earlier, while part-time employment was little changed. The bulk of the decline in October occurred in manufacturing, followed by construction. Natural resources was the only industry to post notable gains for the month.

Among the provinces, employment fell in Ontario, British Columbia, Nova Scotia and Prince Edward Island, while it increased in Newfoundland and Labrador.

On October 25th, the Bank of Canada announced that it was leaving the target for the overnight interest rate unchanged at 1.0 per cent. The next interest rate announcement of the Governing Council of the Bank of Canada is scheduled to take place on December 6, 2011. The next Monetary Policy Report is scheduled to be released on January 18, 2012.

Figure 2

Data are seasonally adjusted and annualized, and cover Canada's major markets
Sources: CMHC, Canadian Real Estate Association (CREA), MLS®

Statistics Canada's Consumer Price Index, which is a measure of inflation, rose 2.9% in the 12 months to October, led by higher prices for gasoline and food. This follows a 3.2% increase in September. On a seasonally adjusted monthly basis, consumer prices rose 0.3% in October.

Energy prices increased 11.7% during the 12 months to October, easing from the 12.5% gain in September. On a year-over-year basis, gasoline prices rose 18.2%, after advancing 22.7% in September. Prices for fuel oil increased 22.1% in October, following a 27.4% rise the month before. Prices for electricity rose while prices for natural gas continued to decline.

Core inflation, which excludes the eight most volatile items and the effect of changes in indirect taxes, increased to 1.5% in the 12 months to October down from 1.9% in September.

Shelter costs rose 1.5% in the 12 months to October, matching the gain posted in September. In addition to fuel oil and electricity, consumers paid more in homeowners' replacement costs (2.1%). Property taxes increased 2.2% on a year-over-year basis in October 2011.

Conversely, mortgage interest cost, which measures the change in the interest portion of payments on outstanding mortgage debt, decreased 1.3% after falling 1.8% the previous month. ■

This Month's Housing Data (SAAR)

Housing starts, units, 000s

	2010	Q1:11	Q2:11	Q3:11	M08:11	M09:11	M10:11
Canada. Total. All areas	189.9	174.6	194.8	206.1	191.7	208.8	207.6
Per cent change from previous period	27.4	-3.0	11.6	5.8	-10.1	8.9	-0.6
Canada. Total. Rural areas	23.8	17.8	18.9	23.2	20.2	20.4	23.1
Per cent change from previous period	27.0	-22.6	6.2	22.8	-9.0	1.0	13.2
Canada. Total. Urban areas	166.2	156.8	175.9	182.9	171.5	188.4	184.5
Per cent change from previous period	27.5	-0.1	12.2	4.0	-10.2	9.9	-2.1
Canada. Single. Urban areas	74.2	61.5	68.2	70.0	68.6	66.9	60.9
Per cent change from previous period	22.7	-4.5	10.9	2.6	0.1	-2.5	-9.0
Canada. Multiple. Urban areas	91.9	95.3	107.7	112.9	102.9	121.5	123.6
Per cent change from previous period	31.6	2.9	13.0	4.8	-16.0	18.1	1.7
Newfoundland. Total. All areas	3.6	3.7	3.7	3.6	3.2	3.4	3.5
Per cent change from previous period	18.0	15.6	0.0	-2.7	-17.9	6.3	2.9
Prince Edward Island. Total. All areas	0.8	0.8	0.8	1.2	1.0	1.3	0.9
Per cent change from previous period	-13.8	-11.1	0.0	50.0	-16.7	30.0	-30.8
Nova Scotia. Total. All areas	4.3	4.1	4.2	5.4	4.0	6.0	3.3
Per cent change from previous period	25.3	5.1	2.4	28.6	-33.3	50.0	-45.0
New Brunswick. Total. All areas	4.1	1.5	3.2	4.2	2.7	4.9	3.9
Per cent change from previous period	16.5	-65.1	113.3	31.3	-57.1	81.5	-20.4
Quebec. Total. All areas	51.4	47.0	48.8	50.2	43.1	59.6	44.5
Per cent change from previous period	18.3	-1.9	3.8	2.9	-9.5	38.3	-25.3
Ontario. Total. All areas	60.4	61.6	70.9	71.1	68.1	65.7	73.5
Per cent change from previous period	20.0	5.1	15.1	0.3	-12.0	-3.5	11.9
Manitoba. Total. All areas	5.9	4.5	5.9	6.5	5.8	4.5	7.6
Per cent change from previous period	41.1	-16.7	31.1	10.2	-35.6	-22.4	68.9
Saskatchewan. Total. All areas	5.9	6.3	6.9	8.1	7.4	9.1	8.4
Per cent change from previous period	52.8	-16.0	9.5	17.4	8.8	23.0	-7.7
Alberta. Total. All areas	27.1	20.9	23.7	27.5	31.2	24.6	31.6
Per cent change from previous period	33.5	-8.7	13.4	16.0	21.9	-21.2	28.5
British Columbia. Total. All areas	26.5	24.2	26.7	28.3	25.2	29.7	30.4
Per cent change from previous period	64.7	-4.7	10.3	6.0	-14.3	17.9	2.4

SOURCE: CMHC, Starts and Completions Survey. All data are seasonally adjusted and annualized. This seasonally adjusted data goes through stages of revision at different times through the yearly cycle resulting in finalization of preliminary data. These revisions take place at the end of each month, quarter and year.

This Month's Housing Data, continued (SAAR)*

	2010	Q1:11	Q2:11	Q3:11	M08:11	M09:11	M10:11
Housing starts, units, 000s							
Canada. Total. Urban areas	166.2	156.8	175.9	182.9	171.5	188.4	184.5
Newfoundland. Total. Urban areas	2.2	2.4	2.5	2.5	2.2	2.5	2.2
Prince Edward Island. Total. Urban areas	0.6	0.5	0.6	1.0	0.8	1.1	0.7
Nova Scotia. Total. Urban areas	3.5	3.4	3.7	4.8	3.5	5.4	2.2
New Brunswick. Total. Urban areas	3.0	1.0	2.4	3.0	1.8	4.1	2.3
Quebec. Total. Urban areas	43.5	40.0	42.5	42.7	37.6	52.5	37.4
Ontario. Total. Urban areas	57.1	59.0	68.3	68.4	65.4	63.1	70.5
Manitoba. Total. Urban areas	4.0	3.2	4.0	4.1	3.5	3.0	5.9
Saskatchewan. Total. Urban areas	4.6	5.3	5.4	5.6	4.9	7.1	7.1
Alberta. Total. Urban areas	24.1	19.6	21.7	24.8	28.8	22.2	28.4
British Columbia. Total. Urban areas	23.6	22.4	24.8	26.0	23.0	27.4	27.8

SOURCE: CMHC, Starts & Completions Survey. All quarterly and monthly data are seasonally adjusted and annualized.This seasonally adjusted data goes through stages of revision at different times through the yearly cycle resulting in finalization of preliminary data. These revisions take place at the end of each month, quarter and year.

This Month's Major Housing Indicators

	2010	Q1:11	Q2:11	Q3:11	M08:11	M09:11	M10:11
New Housing							
New & unoccupied singles & semis, units 000s	5.3	5.9	5.6	5.6	5.6	5.7	5.9
Per cent change from same period previous year	-28.4	11.1	4.3	12.7	11.2	12.6	10.5
New & unoccupied row & apartments, units 000s	13.6	13.6	12.8	13.6	13.7	13.5	13.2
Per cent change from same period previous year	11.1	0.6	-4.5	-1.2	-1.0	0.2	-3.4
New House Price Index, 2007=100	103.2	104.5	105.3	105.8	105.8	106.0	n.a.
Per cent change from same period previous year	2.2	2.0	2.0	2.3	2.3	2.3	n.a.
Existing Housing							
MLS® resales*, units 000s	447.0	465.1	443.1	452.2	447.9	460.1	465.8
Per cent change from same period previous year	-3.9	-7.1	0.2	13.6	12.3	11.2	7.4
MLS® average resale price, 000s**	339.0	365.1	366.3	362.0	362.6	361.7	363.5
Per cent change from same period previous year	5.8	7.0	7.9	9.0	9.2	8.2	7.6
Mortgage Market							
Posted 1-Year Mortgage Rate, % (period average)	3.49	3.45	3.63	3.50	3.50	3.50	3.50
Posted 5-Year Mortgage Rate, % (period average)	5.61	5.32	5.56	5.32	5.39	5.19	5.29

SOURCE: CMHC, Statistics Canada, Bank of Canada, The Canadian Real Estate Association.

n.a. Figures not available.

* Annual data is actual. Quarterly and monthly data are seasonally adjusted and annualized (SAAR).

** Annual data is actual. Quarterly and monthly data is seasonally adjusted.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable housing solutions that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1-800-668-2642.

©2011 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact: the Canadian Housing Information Centre (CHIC) at mailto:chic@cmhc.gc.ca; 613-748-2367 or 1-800-668-2642.

For permission, please provide CHIC with the following information:
Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

Housing market intelligence you can count on

FREE REPORTS AVAILABLE ON-LINE

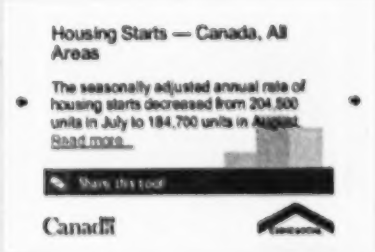
- Canadian Housing Statistics
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Renovation and Home Purchase Report
- Rental Market Provincial Highlight Reports *Now semi-annual!*
- Rental Market Reports, Major Centres
- Rental Market Statistics *Now semi-annual!*
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports

Get the market intelligence you need today!
Click www.cmhc.ca/housingmarketinformation to view, download or subscribe.

CMHC's Market Analysis Centre e-reports provide a wealth of detailed local, provincial, regional and national market information.

- **Forecasts and Analysis –** Future-oriented information about local, regional and national housing trends.
- **Statistics and Data –** Information on current housing market activities — starts, rents, vacancy rates and much more.

- ✓ Housing Market Information
- ✓ Monthly Housing Starts
- ✓ One simple tool to share or host on your website


Housing Starts — Canada, All Areas
The seasonally adjusted annual rate of housing starts decreased from 204,500 units in July to 184,700 units in August.
Read more
Share this tool!
Canada

63830_2011_M11